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Morocco

Oilseeds and Products

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Approved by:

Merritt Chesley

U.S. Embassy, Rabat, Morocco

Prepared by:

Aziz Abdelali

Report Highlights:

Morocco's soybean imports are expected to continue to grow in the future to fulfill the demand for soybean meal generated mostly by the poultry industry. The market has still big potential for growth in the medium term because of the virtually untapped ruminant market. The high duties on corn, soybean meal, and soybeans imported directly by the end-users, continue to dampen the growth of the poultry sector.

Soybean oil imports are expected to be slightly down because of the high olive oil production this year that might, at least partially, substitute for table oils especially in olive producing areas. Imports of soybean oil should go back to normal next year.

Includes PSD Changes: No
Includes Trade Matrix: No
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Soybeans

Morocco oilseeds production remains marginal as, in 2003, only about 80,000 MT of sunflower seed were produced locally. The production of soybeans and rapeseed is virtually nil and is unlikely to grow in the future because of high cost and the lack of incentives to farmers. Unlike for soybean and rapeseed, there is a minimum support price for sunflowerseed of 4,000 dh/MT paid to farmers by the Government oilseed marketing company COMAPRA. The crushers buy the local sunflowerseed from COMAPRA at 4,400 dh/MT (support price plus a 400 dh/MT to cover COMAPRA's expenses (Exchange rate \$1=8.5 dirhams (dh)).

There are currently two crushers in Morocco: Lesieur in Casablanca and the recently opened Belhassan's Group crusher in Meknes (January 2003). Lesieur has an estimated crushing capacity of 1,200 MT/day while the crusher in Meknes has currently a capacity of 1,000 MT/day. The opening of the crushing plant in Meknes impacted the market significantly as Lesieur lost its monopoly on the oilseed crushing business and has been forced to compete on quality and price.

The demand for soybeans continues to be driven by the demand for soybean meal generated mostly by the poultry sector. The demand for soybeans will continue to grow at a fast pace because 1) There is still a lot of room for growth in poultry and poultry products consumption in Morocco 2) There is a rapid development of turkey consumption in Morocco 3) The use of soybean meal by ruminant farmers (cattle and sheep) is still very small compared to its potential 4) fish meal supply in Morocco is inconsistent and prices of fish meal have been relatively high in recent years.

Import of Soybeans

Morocco will continue to rely heavily on soybean imports to satisfy the local demand for soybean meal and part of local demand for vegetable oil. Imports of soybeans are likely to continue to increase at a rapid pace and should tend to occur primarily from Latin America (Brazil) during March-October period and from the US during the September-March period. The two crushers continue to buy on a C&F basis, in full boatloads (20-30,000 MT) after consulting with local representatives of international trading companies. Both crushers have minimum specification (US#2) with particular emphasis on protein (minimum 35.5%) and humidity (max 12%). The two crushers strive to capture market size by guaranteeing minimum 44 % protein to their customers and in fact, practically, they are supplying 46 % protein to make sure they meet the minimum protein requirement. Both crushers recognize the ability of the US to supply tailor-made, consistent quality soybeans compared to their competitors, and both tend to exclude Argentina and Canada as a source for soybeans because of inconsistent quality and low protein level in the soybeans. Conversely, Paraguay and Uruguay have been mentioned as potential competitive alternative sources for soybeans.

The recent relative increase in freight costs from Brazil compared to freight from the US has played in favor of the US since, to the buyer, the freight from Brazil bears additional risks due to potential delays, congestions, and charges in Brazilian ports.

Under the current tariff structure, the two crushers are the only potential importers of soybeans in Morocco. Soybeans are subject to 2.5 % if directly imported by the crushers. Otherwise, imports are subject to 22.5 % plus, if the price is less than the GOM threshold price of 2900 dh/MT, an additional duty of 100 % levied against the differential between the threshold price and the actual customs value (C&F and port charges) is added. The resulting high actual duties on soybeans continue to limit the prospects for import of soybeans directly by the feed manufacturers to produce full-fat soybeans. Typically, the poultry ration in Morocco are low in energy which lead many feed manufacturers to add refined vegetable oil to the ration.

The Feed Industry

There are 40 identified feed mills in Morocco with an estimated total capacity of 4.0 MMT. According to the Feed Manufacturer's Association (AFAC), total mixed feed production reached in 2003 some 1.6 MMT, of which some 400,000 MT were produced on farms. Although many mills are working below full capacity, yet more feed mills have opened recently, indicating the huge potential demand. Currently, virtually all the mixed feed production (over 95%) is devoted to poultry. The ruminant mixed feed market is still virtually untapped. The high duties on corn, soybean meal, and soybeans when imported directly by the feed manufacturers (to make full fat soybeans for example) continue to inflate the cost of production of poultry products, limit their consumption, and hence limit imports of feed ingredients. Morocco's per capita consumption of eggs and poultry meat have been estimated at 111 eggs and 8.5 kilograms, respectively, which are low compared to most neighboring countries and suggest huge potential for increase. Finally, the recently introduced turkey production is increasing dramatically each year, which strengthens the chances for higher demand for soybean meal in the near future.

Soybean Meal

With the opening of the second soybean crusher in Morocco, the supply of soybean meal has improved significantly. Both crushers have been competing to capture market share and have significantly invested to provide consistent quality soybean meal to the end-users. In 2002, when Lesieur was the only crusher in Morocco, importers complained constantly about the quality and decided to import (in spite of the high duties on soybean meal) to ensure regular quality. Today, it is not uncommon for the crushers to offer a 46 % protein meal to customers who request a minimum of 44 % protein meal. Use of 48 % protein meal is still very limited but the crushers can, and do produce it, if it can prevent the end-users from resorting to imports.

As indicated in the PS&D, prospects for soybean meal imports are low since most of the demand for meal should be satisfied through imports and local crushing of imported soybeans. Imports of soybean meal by the industrial mills, if they occur, are likely to be for 48 % protein since both the 44% and the 48% protein meals are subject to the same import duty (25 %). Last year, after having faced few starting difficulties that suggested high soybean meal imports the new crusher in Meknes was successful in meeting the demand for soybean meal which accounts for the significant change in import level for meals in 2002.

Vegetable Oil

Consumption of soybean oil is expected to go down slightly during MY 2003 owing to a huge local olive oil production and a significantly higher sunflowerseed production this year. Although olive oil is more expensive compared to other table oil, the significantly higher olive oil production this year is likely to result in raising farmer' stocks of this oil and thus limiting purchases of table oil and other fats (for example margarine) in the market. Consumption of soybean oil is likely to go back to more normal levels next year because the alternate bearing nature of the olive tree should result in relatively smaller production next year.

The liberalization of the marketing of vegetable oil on November 2000 resulted in a stiff competition between refineries that invested heavily to improve their packaging and diversify their supply to capture new market shares. Recently, the major refinery in Morocco, Lesieur, increased its prices for vegetable oil to reflect the sharp increase in world price. Such an increase in prices would not have been even conceivable a few years back when the GOM was controlling the vegetable oil prices.

Although there is an estimated 500,000 MT plus refining capacity in Morocco, two more refineries are opening in Meknes and Berrechid (East of Casablanca). Both refineries are believed to have a capacity of 150 MT per day and suggest that competition for the local vegetable oil market is likely to be stiffer in the future.

Except for a relatively small quantity of sunflower oil sold as "Sunflower Oil", the Moroccan consumer still faces one type of table oil but under various brand names. Some refineries have launched new table oils sold as "Soybean oil" but unless a significant effort is made to promote this type of oil and to differentiate it to the consumer, the bulk of vegetable oil will continue to be sold as "table oil", especially if the refineries cannot justify it by increased sales.

The largest refiner in Morocco exports some refined vegetable oil to neighboring African countries. Exports are not likely to become significant in the future.

Imports of soybean oil should be down slightly to reflect a greater use of olive oil because of the large local crop this year. However, in 2004, import should be back to normal. Argentina continues to be a competitive supplier for vegetable oil.

Imports are typically carried out by local representatives of international trading houses upon request of the refineries. Morocco imports mostly crude, degummed vegetable oil. While most of the imports are made on C&F basis, the refineries indicated their intention to start buying on an FOB basis and then contract for the freight to cut down on their purchasing costs.

EU Labeling Requirement

The upcoming EU Labeling requirement in April 2004 is of major concern to the Moroccan refineries that supply vegetable oil to Moroccan canners (mostly fish) exporting to the EU. The canners, upon request of their customers (especially from Germany), require that the oil they use in the cans be GMO-free. The refineries have certified up to now that the oil does not contain GMO-material, which was accepted by the customers in Europe. Once the new EU legislation is implemented it will be rather difficult for the Moroccan refineries to certify that the oil is not derived from GMO-free soybeans. As a result, the refineries could shift to other types of oil (sunflower or other) that allow them to certify the GMO-free origin of the oil. It has been estimated that the canning industry in Morocco uses some 30,000 MT of vegetable oil, of which 80 % is soybean oil.

PSD Table

Country
Morocco
Commodity
Oilseed, Soybean

(1000 HA)(1000 MT)

	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [	Estimate [D]	DA Official [	Estimate [D]	DA Official [	Estimate [New]	
Market Year Begin	10/2002		10/2003		10/2004	MM/YYYY	
Area Planted	1	1	1	1	0	1	(1000 HA)
Area Harvested	1	1	1	1	0	1	(1000 HA)
Beginning Stocks	0	0	30	20	56	20	(1000 MT)
Production	1	0	1	0	0	0	(1000 MT)
MY Imports	380	417	350	470	0	530	(1000 MT)
MY Imp. from U.S.	220	251	175	250	0	300	(1000 MT)
MY Imp. from the EC	0	6	0	0	0	0	(1000 MT)
TOTAL SUPPLY	381	417	381	490	56	550	(1000 MT)
MY Exports	0	0	0	0	0	0	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Crush Dom. Consumption	351	397	325	470	0	530	(1000 MT)
Food Use Dom. Consump	0	0	0	0	0	0	(1000 MT)
Feed,Seed,Waste Dm.Cr	0	0	0	0	0	0	(1000 MT)
TOTAL Dom. Consumptic	351	397	325	470	0	530	(1000 MT)
Ending Stocks	30	20	56	20	0	20	(1000 MT)
TOTAL DISTRIBUTION	381	417	381	490	0	550	(1000 MT)
Calendar Year Imports	0	346	0	400	0	460	(1000 MT)
Calendar Yr Imp. U.S.	0	185	0	200	0	240	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Import Trade Matrix

Country Morocco

Commodity Oilseed, Soybean

Time Period	Oct.-Sept	Units:	MT
Imports for:	2001		2002
U.S.	130984	U.S.	250953
Others		Others	
Brazil	160167	Brazil	113575
Argentina	22000	Paraguay	46866
		Portugal	5880
Total for Others	182167		166321
Others not Listed			
Grand Total	313151		417274

PSD Table

Country	Morocco						
Commodity	Oilseed, Rapeseed						(1000 HA)(1000 MT)
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official	Estimate [DA Official	Estimate [DA Official	Estimate [DA Official	Estimate [New]		
Market Year Begin	10/2002	10/2003	10/2004	MM/YYYY			
Area Planted	1	0	0	0	0	0	(1000 HA)
Area Harvested	1	0	1	0	0	0	(1000 HA)
Beginning Stocks	0	0	0	0	0	0	(1000 MT)
Production	1	0	1	0	0	0	(1000 MT)
MY Imports	0	0	0	0	0	0	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	1	0	1	0	0	0	(1000 MT)
MY Exports	0	0	0	0	0	0	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Crush Dom. Consumption	0	0	0	0	0	0	(1000 MT)
Food Use Dom. Consumption	0	0	0	0	0	0	(1000 MT)
Feed,Seed,Waste Dm.Cr	1	0	1	0	0	0	(1000 MT)
TOTAL Dom. Consumption	1	0	1	0	0	0	(1000 MT)
Ending Stocks	0	0	0	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	1	0	1	0	0	0	(1000 MT)
Calendar Year Imports	0	0	0	0	0	0	(1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

PSD Table

Country	Morocco					
Commodity	Meal, Soybean					
	(1000 MT)(PERCENT)					
	2002	Revised	2003	Estimate	2004	Forecast
	USDA Official	Estimate	DA Official	Estimate	DA Official	Estimate
Market Year Begin	10/2002		10/2003		10/2004	MM/YYYY
Crush	351	397	325	470	0	530 (1000 MT)
Extr. Rate, 999.9999	0.80057	0.780856	0.8	0.787234	#DIV/0!	0.792453 (PERCENT)
Beginning Stocks	0	0	10	2	15	2 (1000 MT)
Production	281	310	260	370	0	420 (1000 MT)
MY Imports	110	7	135	10	0	10 (1000 MT)
MY Imp. from U.S.	80	0	75	10	0	10 (1000 MT)
MY Imp. from the EC	0	0	0	0	0	0 (1000 MT)
TOTAL SUPPLY	391	317	405	382	15	432 (1000 MT)
MY Exports	0	0	0	0	0	0 (1000 MT)
MY Exp. to the EC	0	0	0	0	0	0 (1000 MT)
Industrial Dom. Consum	0	0	0	0	0	0 (1000 MT)
Food Use Dom. Consum	0	0	0	0	0	0 (1000 MT)
Feed Waste Dom. Consum	381	315	390	380	0	430 (1000 MT)
TOTAL Dom. Consumptic	381	315	390	380	0	430 (1000 MT)
Ending Stocks	10	2	15	2	0	2 (1000 MT)
TOTAL DISTRIBUTION	391	317	405	382	0	432 (1000 MT)
Calendar Year Imports	80	106	100	11	0	10 (1000 MT)
Calendar Yr Imp. U.S.	80	57	75	0	0	10 (1000 MT)
Calendar Year Exports	0	0	0	0	0	0 (1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0 (1000 MT)

Import Trade Matrix

Country Morocco
Commodity Meal, Soybean

Time Period	Oct./Sept.	Units:	MT
Imports for:	2002		2003
U.S.	63621	U.S.	
Others		Others	
Brazil	24350	Brazil	6973
Netherlands	11587		
Argentina	9900		
Belgium	3100		
Total for Others	48937		6973
Others not Listed			
Grand Total	112558		6973

PSD Table

Country	Morocco						
Commodity	Meal, Rapeseed						(1000 MT)(PERCENT)
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [	Estimate [DA	Official [	Estimate [DA	Official [	Estimate [New]	
Market Year Begin	01/2002		01/2002		01/2002		MM/YYYY
Crush	0	0	0	0	0	0	0 (1000 MT)
Extr. Rate, 999.9999	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	(PERCENT)
Beginning Stocks	0	0	0	0	0	0	0 (1000 MT)
Production	0	0	0	0	0	0	0 (1000 MT)
MY Imports	0	0	0	0	0	0	0 (1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	0 (1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	0 (1000 MT)
TOTAL SUPPLY	0	0	0	0	0	0	0 (1000 MT)
MY Exports	0	0	0	0	0	0	0 (1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	0 (1000 MT)
Industrial Dom. Consum	0	0	0	0	0	0	0 (1000 MT)
Food Use Dom. Consum	0	0	0	0	0	0	0 (1000 MT)
Feed Waste Dom. Consu	0	0	0	0	0	0	0 (1000 MT)
TOTAL Dom. Consumptic	0	0	0	0	0	0	0 (1000 MT)
Ending Stocks	0	0	0	0	0	0	0 (1000 MT)
TOTAL DISTRIBUTION	0	0	0	0	0	0	0 (1000 MT)
Calendar Year Imports	0	0	0	0	0	0	0 (1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0	0 (1000 MT)
Calendar Year Exports	0	0	0	0	0	0	0 (1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	0 (1000 MT)

PSD Table

Country
Morocco
Commodity
Oil, Soybean

(1000 MT)(PERCENT)

	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [New]	
Market Year Begin	10/2002		10/2003		10/2004		MM/YYYY
Crush	351	397	325	470	0	530	(1000 MT)
Extr. Rate, 999.9999	0.162393	0.163728	0.163077	0.170213	#DIV/0!	0.169811	(PERCENT)
Beginning Stocks	8	8	8	8	0	8	(1000 MT)
Production	57	65	53	80	0	90	(1000 MT)
MY Imports	300	366	315	320	0	350	(1000 MT)
MY Imp. from U.S.	40	24	50	50	0	50	(1000 MT)
MY Imp. from the EC	30	62	30	30	0	30	(1000 MT)
TOTAL SUPPLY	365	439	376	408	0	448	(1000 MT)
MY Exports	0	2	0	0	0	0	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Consum	0	0	0	0	0	0	(1000 MT)
Food Use Dom. Consum	357	429	376	400	0	440	(1000 MT)
Feed Waste Dom. Consu	0	0	0	0	0	0	(1000 MT)
TOTAL Dom. Consumptic	357	429	376	400	0	440	(1000 MT)
Ending Stocks	8	8	0	8	0	8	(1000 MT)
TOTAL DISTRIBUTION	365	439	376	408	0	448	(1000 MT)
Calendar Year Imports	270	324	0	320	0	350	(1000 MT)
Calendar Yr Imp. U.S.	40	39	0	50	0	50	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Import Trade Matrix

Country
Morocco
Commodity
Oil, Soybean

Time Period	Oct./Sep.	Units:	MT
Imports for:	2001		2002
U.S.	39300	U.S.	24199
Others		Others	
Argentina	182185	Argentina	237064
Brazil	64384	Brazil	43269
Belgium	15202	Belgium	33099
Spain	12147	Portugal	8796
Netherlands	9300	France	6300
Portugal	5500	Germany	5982
France	3000	Spain	4200
		Netherlands	3260
Total for Others	291718		341970
Others not Listed			
Grand Total	331018		366169

PSD Table

Country

Morocco

Commodity

Oil, Rapeseed

(1000 MT)(PERCENT)

	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [	Estimate [10/2002	USDA Official [	Estimate [10/2003	USDA Official [	Estimate [New]	
Market Year Begin		10/2002		10/2003		10/2004	MM/YYYY
Crush	0	0	0	0	0	0	0 (1000 MT)
Extr. Rate, 999.9999	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	(PERCENT)
Beginning Stocks	0	0	0	0	0	0	0 (1000 MT)
Production	0	0	0	0	0	0	0 (1000 MT)
MY Imports	5	0	5	0	0	0	0 (1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	0 (1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	0 (1000 MT)
TOTAL SUPPLY	5	0	5	0	0	0	0 (1000 MT)
MY Exports	0	0	0	0	0	0	0 (1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	0 (1000 MT)
Industrial Dom. Consum	0	0	0	0	0	0	0 (1000 MT)
Food Use Dom. Consum	5	0	5	0	0	0	0 (1000 MT)
Feed Waste Dom. Consu	0	0	0	0	0	0	0 (1000 MT)
TOTAL Dom. Consumpti	5	0	5	0	0	0	0 (1000 MT)
Ending Stocks	0	0	0	0	0	0	0 (1000 MT)
TOTAL DISTRIBUTION	5	0	5	0	0	0	0 (1000 MT)
Calendar Year Imports	0	0	0	0	0	0	0 (1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0	0 (1000 MT)
Calendar Year Exports	0	0	0	0	0	0	0 (1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	0 (1000 MT)